

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Competitive Product Prices  
Priority Mail Express Contract 33 (MC2016-87)  
Negotiated Service Agreement

Docket No. CP2016-112

PUBLIC REPRESENTATIVE COMMENTS ON  
POSTAL SERVICE NOTICE OF AMENDMENT TO  
PRIORITY MAIL EXPRESS NEGOTIATED SERVICE AGREEMENT  
(June 1, 2016)

I. BACKGROUND

The Public Representative hereby provides comments pursuant to Order No. 3311.<sup>1</sup> In that Order, the Commission reopens the above referenced docket to receive comments from interested persons, including the undersigned Public Representative, on a Postal Service Notice to amend Priority Mail Express Contract 33.<sup>2</sup>

This is the first amendment to Priority Mail Express Contract 33. The Commission first approved Priority Mail Express Contract 33 in Order No. 3136, dated March 8, 2016. In Order No 3136, the Commission determined that the contract should meet the requirements of 39 U.S.C. § 3633(a). Order No. 3136 at 5.

The Postal Service intends for the amendment to become effective two business day after the Commission completes its review. Notice at 1. The Postal Service requests to amend sections I.B, Table C, Table D and Table E of the original contract. *Id* Attachment A at 1-6. The Postal Service asserts that the Amendment will not impair the ability of the contract to comply with 39 U.S.C. § 3633. *Id* Attachment B at 1.

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<sup>1</sup> PRC Order No. 3311, Notice and Order Concerning Amendment to a Priority Mail Express Negotiated Service Agreement, May 23, 2016.

<sup>2</sup> Notice of United States Postal Service of Amendment to Priority Mail Express Contract 33, with Portions Filed Under Seal, May 20, 2016 (Notice).

## II. COMMENTS

*Requirements of 39 U.S.C. § 3633.* Pursuant to 39 U.S.C. § 3633(a), the Postal Service's competitive prices must not result in the subsidization of competitive products by market dominant products; ensure that each competitive product will cover its attributable costs; and, ensure that all competitive products collectively contribute an appropriate share of the institutional costs of the Postal Service.

The Public Representative has reviewed the Priority Mail Express Contract 33, including the original contract, along with the original and amended financial analysis filed under seal. The new contract terms are adequately incorporated into the amended financial model. The amended contract terms do not prohibit the contract as a whole from meeting the requirements of 39 U.S.C. § 3633(a). The Public Representative concludes that the Priority Mail Express Contract 33, as amended, should generate sufficient revenues to cover attributable costs and thereby satisfy 39 U.S.C. § 3633(a).

The Public Representative respectfully submits the preceding Comments for the Commission's consideration.

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